

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI
(WESTERN DIVISION)**

JAMES AND PHYLLIS SHAFFER,)
FLEMCo, LLC,) CIVIL ACTION NO.:
Plaintiffs,)
HMC/CAH CONSOLIDATED, INC,) 4:18-cv-00601-NKL
Nominal-Plaintiff)
v.)
HEALTH ACQUISITION COMPANY, LLC,)
EMPOWER H.I.S., LLC, PAUL L. NUSBAUM,)
STEVEN F. WHITE and JORGE A. PEREZ)
Defendants,)

)

SUGGESTION OF BANKRUPTCY UNDER CHAPTER 11

Defendants HEALTH ACQUISITION COMPANY, LLC, EMPOWER H.I.S., LLC, PAUL L. NUSBAUM, STEVEN F. WHITE and JORGE A. PEREZ, by and through undersigned counsel, file this Suggestion of Bankruptcy under Chapter 11 (and 7) of Title 11, U.S. Code, and state:

1. As the Court is aware, the Plaintiffs, as purported shareholders of HMC/CAH Consolidated, Inc., on a derivative basis, seek to adjudicate certain aspects of the ownership and management of ten (10) hospitals (the "Hospitals"), and any damages related thereto.
2. As of this date, each of the Hospitals has filed for bankruptcy protection, as follows:

Debtor Entity	Case #	Petition Date
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USBC – Eastern District NC

CAH Acquisition Company # 1, LLC	19-00730-5-JNC	2/19/2019
CAH Acquisition Company # 2, LLC	19-01230-5-JNC	3/17/2019
CAH Acquisition Company # 3, LLC	19-01180-5-JNC	3/14/2019
CAH Acquisition Company # 4, Inc.	19-01228-5-JNC	3/17/2019
CAH Acquisition Company 6, LLC	19-01300-5-JNC	3/21/2019
CAH Acquisition Company 7, LLC	19-01298-5-JNC	3/21/2019
CAH Acquisition Company 12, LLC	19-01229-5-JNC	3/17/2019
CAH Acquisition Company 16, LLC	19-01227-5-JNC	3/17/2019

USBC – Western District TN

CAH Acquisition Company # 11, LLC	19-22020	3/11/2019
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USBC – District of KS

CAH Acquisition Company # 5, LLC	19-10359	3/13/2019
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3. Effective with the filing of said petitions, all of the property, both real and personal of said Debtors, became subject to the jurisdiction of the United States Bankruptcy Court, in the various Districts, pursuant to the provisions of the Act of Congress relating to bankruptcy, Title 11, U.S. Code.

4. The ownership interest of each of the Debtors as it pertains vis-à-vis to HMC/CAH Consolidated, Inc. and HEALTH ACQUISITION COMPANY, LLC is also necessarily at issue in each of the Bankruptcy cases. Furthermore, any claims of mismanagement over the subject hospitals would now necessarily belong to the Debtors' estates.

5. The filing of a Chapter 11 proceeding operates as an automatic stay of the commencement or continuation of any actions against the Debtor, including this action or the enforcement of any judgment against said Debtor, or where the Debtors interests are involved.

6. Federal courts also have extended an automatic stay to non-debtor third parties where stay protection was deemed essential to the debtor's efforts of reorganization, such as herein, where the ownership and management of the Debtors is at issue in the bankruptcy proceedings.

7. Accordingly, Defendants' position is that, pending the resolution of the various bankruptcy matters, due to the issues and parties herein being subject to the jurisdiction of the Bankruptcy Court, the within matter is stayed.

CHAPMAN AND COWHERD, P.C.

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Admitted Pro Hac Vice

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served electronically to:

COUNSEL OF RECORD FOR PLAINTIFFS

This 26th day of March, 2019.

CHAPMAN AND COWHERD, P.C.

By: /s/ Lauren A. Horsman
Lauren A. Horsman